

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN
CALIFORNIA GAS COMPANY (U 904 G)
Regarding Year 11 (2004-2005) of Its Gas Cost
Incentive Mechanism.

Application 05-06-030
(Filed June 15, 2005)

**ADMINISTRATIVE LAW JUDGE'S RULING
REGARDING NOTICE OF INTENT TO CLAIM COMPENSATION**

Summary

In accordance with the schedule set forth at the January 10, 2006 prehearing conference, The Utility Reform Network (TURN) filed its notice of intent to seek compensation (NOI) in the above-captioned proceeding. This ruling determines that TURN is eligible to file a claim for an award of compensation in this proceeding.

Background

Southern California Gas Company (SoCalGas) filed its Year 11 Gas Cost Incentive Mechanism (GCIM) application on June 15, 2005. The application requests a shareholder award of \$2.5 million under the GCIM structure that was adopted in Decision (D.) 02-06-023.

The prehearing conference was held on January 10, 2006. At the prehearing conference, TURN was informed that it could file its NOI within 30 days of the prehearing conference. TURN timely filed its NOI on January 11, 2006. No one filed any response to TURN's NOI.

Eligibility Requirements

Public Utilities Code § 1804(a)(2)¹ provides that a NOI is to include a statement of the nature and extent of the customer's planned participation in the proceeding, and an itemized estimate of the compensation that the customer expects to request. In addition, the NOI may include a showing by the customer that participation in the proceeding will pose a significant financial hardship. If such a showing is made, the Administrative Law Judge (ALJ), in consultation with the Assigned Commissioner, is to issue a preliminary ruling addressing whether the customer will be eligible for an award of compensation, and whether a showing of significant financial hardship has been made. (§ 1804(b)(1).) Since TURN's NOI purports to make a showing that its participation will pose a significant financial hardship, this ruling addresses TURN's eligibility for intervenor compensation.

In D.98-04-059 (79 CPUC2d 628) the Commission directed that if a ruling is issued as a result of the filing of a NOI, that the ALJ rule on whether the intervenor is a customer as defined in § 1802(b),² and which category of customer the intervenor represents. (79 CPUC2d at 649.) The type of customer category determines the standard of "significant financial hardship" that applies.

¹ All code section references are to the Public Utilities Code.

² A "customer" is defined in § 1802(b)(1) to mean: "(A) A participant representing consumers, customers, or subscribers of any electrical, gas, telephone, telegraph, or water corporation that is subject to the jurisdiction of the commission. (B) A representative who has been authorized by a customer. (C) A representative of a group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential customers, or to represent small commercial customers who receive bundled electric service from an electrical corporation."

Footnote 1 of TURN's NOI states that it is a "group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential ratepayers." TURN previously submitted the relevant portion of its articles of incorporation in other Commission proceedings. TURN meets the definition of customer as defined in § 1802(b)(1)(C).

TURN also included information in its NOI about significant financial hardship. The comparison test, in which the cost of participation is compared to the economic interest of the individual members of the organization in order to determine whether there will be significant financial hardship, applies to TURN because it is a customer who is an organization authorized by its bylaws to represent the interests of residential customers.

TURN elected to rely on the rebuttable presumption in § 1804(b)(1) to make its showing of significant financial hardship in this proceeding. TURN received a finding of significant financial hardship in Application 05-02-027 in a November 4, 2005 ruling. Since this proceeding was initiated within one year of the November 4, 2005 finding, and because no one responded to TURN's NOI to rebut the presumption of significant financial hardship, TURN is presumed to be eligible for compensation in this proceeding.

Regarding the requirement about the nature and extent of the customer's planned participation in this proceeding, TURN states that it "intends to participate in order to evaluate the changes to the GCIM mechanism proposed by the Division of Ratepayer Advocates (DRA) in its Report on GCIM year 11, issued on November 30, 2005," and that "TURN also intends to recover its costs for participating in the consultation process pursuant to Commission direction in D.04-09-022 and D.05-04-003." These are issues which have been raised in this proceeding.

To satisfy the requirement that the NOI include an estimate of the compensation the customer expects to request, TURN estimates its total compensation at \$15,650.

To satisfy the statement in § 1801.3(f) about unproductive or unnecessary participation, TURN's NOI states that although "TURN and the DRA both represent ratepayer interests, TURN only represents the interests of residential and small commercial customers." (TURN, NOI, p. 3.) TURN also states that it will coordinate with DRA and other intervenors as much as possible to avoid unnecessary duplication of effort.

The planned participation of TURN and its planned coordination with DRA and other intervenors should result in effective and efficient participation by TURN in this proceeding.

TURN is eligible for an award of compensation in this proceeding. This finding of eligibility does not mean that TURN is automatically entitled to intervenor compensation. Pursuant to § 1804, TURN must make a substantial contribution to the Commission decision before it is awarded any intervenor compensation.

Therefore, **IT IS RULED** that The Utility Reform Network (TURN) has met the eligibility requirements of § 1804, including the significant financial hardship requirement, and TURN is eligible to file a claim for an award of compensation in this proceeding.

Dated February 28, 2006, at San Francisco, California.

/s/ JOHN S. WONG

John S. Wong
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding Notice of Intent to Claim Compensation on all parties of record in this proceeding or their attorneys of record.

Dated February 28, 2006, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.